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The Director of Central Intelligence

Washington, D. C. 20505

The Honorable William Clark
Special Assistant to the President
for National Security Affairs

Dear Bill,

Attached is a memo in response to your request for an assessment of Cuban and Soviet Vulnerabilities over the next six months. If you have any further questions, please let me know.

Yours,

William J. Casey

Washington, D.C. 20505
DIRECTORATE OF INTELLIGENCE

12 February 1982

MEMORANDUMCUBA-USSR: Vulnerabilities in the Next Six MonthsKey Judgments

Cuban vulnerability to some of the actions outlined [] will vary considerably over the next six months. For example, the Castro regime has almost completed its preparations for countering broadcasts by Radio Marti. Economic vulnerability will be somewhat higher during February to early April when manpower and transportation resources are most needed for the ongoing sugar harvest. Cuba's military capability for defending the island or providing support to Nicaragua will steadily improve over the next six months as the armed forces absorb the recent deliveries of new Soviet equipment. []

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In other areas, Cuban vulnerabilities will not change significantly in the near term. Because the centralized nature of the Cuban leadership restricts its ability to cope with several crises at the same time, the effect of the measures described [] would be heightened somewhat if they were applied simultaneously rather than sequentially. Nevertheless, the Castro regime is unlikely significantly to alter its behavior unless it perceives the economic, political, and military postures adopted by the US as being fully sustainable and capable of sharply increasing the costs of Cuba's objectionable behavior. []

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This memorandum was prepared by the Cuba-Caribbean Branch, Middle America/Caribbean Division of the Office of African and Latin American Analysis and China-Third World Branch, Current Support Division of the Office of Soviet Analysis. It was requested by the Assistant to the President for National Security Affairs. This memorandum contains information available through 10 February 1982. It was coordinated with the Office of Scientific and Weapons Research and the Directorate of Operations. Questions and comments are welcome and should be directed to Chief, Middle America/Caribbean Division []

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The USSR is facing a series of major economic and political problems, but they will not significantly change Soviet vulnerability in the next six months. Most of the US measures now planned regarding Cuba do not directly impinge on these problems, and have only limited relevance to Soviet policy toward Cuba. On the other hand, as is the case with Cuba, the highly centralized Soviet leadership could be stretched by an orchestrated or fortuitous series of simultaneous challenges such as a major upsurge in fighting in Afghanistan, serious outbreaks of resistance in Poland, US measures against Cuba, a threat to the Soviet-Cuban presence in Angola and perhaps an Israeli attack into South Lebanon. There is, however, significant potential danger in such a scenario including a reflexive Soviet military response to one crisis or another...or even at an unrelated site. There is also the risk of a major Soviet political or military miscalculation when faced with such a wide range of problems.

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Radio Marti

Whatever time advantage existed for Radio Marti has virtually dissipated. Cuba reacted immediately to the announcement last year of the creation of Radio Marti because the Cuban leadership, with the Mariel experience of 1980 still fresh, was keenly aware of the wide gap that has appeared between popular expectations and the regime's ability to satisfy them.

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As a result, Havana gave high priority to a multifaceted campaign to combat Radio Marti. The campaign included:

- the hasty acquisition last year from Czechoslovakia of four 1,000 watt transmitters, apparently to be used across the island as jammers, with ten 5,000 watt transmitters to follow this year;
- the rapid construction of transmission facilities in the Havana area for two possibly superpowered (500,000 watts each) transmitters to be used for jamming, for counterbroadcasts, or both;
- the formation of a propaganda team to organize counter-broadcasts to the US aimed at fomenting social unrest;
- the reorganization of transmitter and frequency usage by

Cuban mediumwave broadcasting stations to demonstrate in part the Castro regime's ability to interfere with frequencies used by US commercial broadcasters. [REDACTED]

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What little information is available on the two potentially superpowered transmitters suggests that technical preparations for their inauguration are fairly complete. The lower powered Czech transmitters are mobile and presumably can be put into operation on short notice. It would appear, therefore, that the inauguration of Radio Marti's transmissions will be met immediately by strong jamming in western Cuba and by increasingly effective jamming--as the additional Czech equipment arrives--in central and eastern Cuba. This assumes that Radio Marti will transmit on only one or two frequencies; should more than two be used, Havana would be hard pressed over the short term to jam all frequencies effectively. The Castro regime would then probably adopt stop-gap measures to counter Radio Marti--such as large scale, deliberate interference to US commercial broadcasters and placing Cuban broadcasting stations on Radio Marti's frequencies--while awaiting more jamming equipment from East Europe. [REDACTED]

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The Economy

Cuba is now in the midst of its sugar harvest which places the economy in a position of greater than normal vulnerability. The harvest season runs from November to early May with the period of greatest activity occurring between January and April. Cargo vessels are loaded with sugar throughout the harvest, but most of the shipments are made between February and June. Recent figures are unavailable, but during 1980, some 64 percent of Cuba's sugar exports were shipped during this five-month period. Thus, the heightened susceptibility of the economy will remain in effect only until May. [REDACTED]

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If Havana perceived the US threat great enough to mobilize its armed forces during the harvest, sugar production probably would drop markedly, perhaps resulting in decreased hard currency earnings. Such a mobilization, if maintained over a period of several weeks, would most likely drain manpower from harvest activities. Some 130,000 regular sugar workers are employed fulltime, but an estimated 100,000-150,000 additional workers are utilized during the peak months of the harvest. Because the rainy season generally begins in May, even a temporary disruption

before then would cause a reduction in sugar production. The extent of the impact would depend upon the scale of the mobilization, but for every one percent decline in sugar production Havana stands to lose \$21 million at current world prices. [REDACTED]

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If sugar workers were excluded from a mobilization, other sectors such as non-sugar agriculture, industry, and construction would be especially hard hit. A large-scale mobilization could also cause a disruption in the transportation sector no matter when it occurred. The movement of goods between factories and ports would be obstructed as the vehicles used for this purpose probably would be diverted to military use. If such a call-up was implemented during the harvest, however, the effect would be compounded, causing additional drops in production and export levels. [REDACTED]

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Another potential vulnerability for the near term results from Cuba's apparent lack of major economic preparations for a possible US blockade. The Castro regime seems to have done little to stockpile petroleum, consumer goods, or basic food products as a contingency against such an action. There have been no indications such as increased shipments of petroleum or grains and no new facilities for storage of these commodities have been identified. [REDACTED]

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About 77 percent of Cuba's total energy needs come from imported petroleum. The island has a maximum storage capacity of only about two months supply. Detected deliveries of petroleum for 1981 were slightly below last year's level, and deliveries during October and November--when several military mobilizations occurred--remained within normal bounds. [REDACTED]

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**This figure is based on a harvest of about 8 million tons, and the value of \$21 million should be viewed as exemplary. Not all of Cuban sugar sales are for hard currency, and Havana could divert some of its soft currency sales or reduce domestic stocks to offset shortfalls in production.* [REDACTED]

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[redacted] 25X1

At least 40 percent of certain key food staples--wheat, rice, beans, canned meat, powdered milk, and cooking oil--are imported. Moreover, a cutoff of petroleum deliveries would cause domestic agricultural production to decrease significantly. Trade data for individual commodities are not available yet for 1981, but overall deliveries of foodstuffs to Cuba do not appear to have increased significantly. Cuba currently is experiencing severe hard currency shortages stemming from low world sugar prices, and thus is not able to purchase substantial quantities of foodstuffs on the world market. [redacted] 25X1

Centralized Leadership

The highly centralized nature of the Cuban political system gives Castro considerable flexibility in policy formulation since rapid changes can be undertaken with a minimum of debate. On the other hand, the system can be vulnerable in an environment of multiple crises; because of limited time to focus on rapidly moving events, a small group cannot render effective decisions on all matters for which it has responsibility. The decision-making process of a small group in such an environment tends to lose creativity and become increasingly rigid. New information or action are either ignored or misinterpreted. [redacted] 25X1

During the height of the Mariel refugee exodus in May 1980, for example, the Cuban leadership was simultaneously trying to manage a massive anti-US propaganda campaign, the flow of hundreds of refugees per day to the US, diplomatic maneuvering against the US and several Latin American governments, and mob attacks against would-be emigrants. In this highly charged atmosphere, the Cuban Air Force sank a Bahamian patrol boat, mistakenly believing the craft was engaged in an exile attack on Cuban fishing boats. The incident lasted over 24 hours and included violations of Bahamian waters and airspace as well as a brief landing by Cuban soldiers on a populated Bahamian island. In the next several days, the Cuban military also provoked two incidents with the US Coast Guard in international waters. [redacted] 25X1

This vulnerability would be affected by the rapid implementation of a broad range of actions, particularly if they emitted mixed signals concerning US intentions toward Cuba. Initially, these would disrupt Havana's policymaking process as Castro

attempted to assess and respond to each new action. As the multiple crises developed, Cuba would almost certainly become increasingly aggressive which would undercut the regime's image with other nations in the region. As a corollary, however, the chances for a dangerous miscalculation by Havana would rapidly multiply, increasing the risk of an armed confrontation with the US. [REDACTED]

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Declining Military Vulnerability

Cuba's military capabilities for defending itself or providing military support to an ally will continue to improve over the next several months as the armed forces absorb recent Soviet arms deliveries. It could take up to a year after delivery for Cuban crews to become proficient in a combat situation on totally new weapons systems such as the Koni frigate, the SA-6 surface-to-air missile system, and the MI-24 Hind helicopters. All three arrived in the last six months. Overall, we estimate that Cuban personnel will be combat proficient with these new systems no earlier than May. [REDACTED]

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The Cubans probably already have enough personnel on active duty and in the reserves to operate the additional MIG-21 and MIG-23 fighters--once they are assembled--and possibly the additional Osa-II missile attack boats. It could take up to six months, however, before newly trained active-duty crews would be fully proficient in their operation. A similar period of time is required for development of the support structure necessary for the expanded force. [REDACTED]

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Two major factors influence the length of time it will take Cuba to assimilate the totally new weapons systems.

- The amount and nature of training Cuban crews received in the Soviet Union prior to the systems' introduction to Cuba.
- The amount of support provided by Soviet technical personnel once the systems arrive in Cuba. [REDACTED]

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Normal Soviet practice with the Koni frigate is to provide familiarization training in the Soviet Union on the vessel's basic operational and performance characteristics prior to delivery. The provision of similar training on systems such as the SA-6 and MI-24 could reduce the length of time Cuban crews

would need to become proficient from close to a year to perhaps a few months after the system is delivered to Cuba. [REDACTED]

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Cuban crews probably could learn the most basic operating procedures for much of the new equipment within a matter of weeks, but it would take several months of training--whether in Cuba or in the Soviet Union--before they could master both the operation of new armament and new tactics for employing the systems most effectively. The MI-24 helicopter, for example, is produced by the same manufacturer as Cuba's older MI-8 Hips and the similarities between the two would enable Cuban MI-8 pilots to fly the MI-24 safely in a relatively short time. Much longer would be needed, however, for the gunner on the MI-24 to become sufficiently proficient with the helicopter's on-board fire control system or to engage targets successfully in a rapidly changing tactical environment, such as in Angola or Nicaragua.

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In addition, these new systems are considerably more complex and difficult to maintain than Cuba's older weapons. The initial training of technical personnel responsible for maintaining these new types of equipment normally takes several months to a year--severely limiting any operational use of the weapons system involved. [REDACTED]

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[REDACTED] Given the complexity of the other new systems, some Soviet technical personnel probably are advising the Cubans on the maintenance of those systems as well. [REDACTED]

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The Cuban Interests Section

The closure of the Cuban Interests Section in Washington D.C. almost certainly will cause a reciprocal action by the Castro regime against the US Interests Section in Havana.

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[REDACTED]

Soviet Vulnerabilities and US Options Toward Cuba

Moscow's economic problems are likely to grow gradually over the next six months. The Soviets face serious hard currency payment problems as a result of a large agricultural import bill, sluggish oil export prices and aid to Poland. Indeed the Soviet cash position is especially tight now because receipts from exports are sluggish during the winter months. For the year as a whole we expect their payments position to worsen; the trade deficit could exceed \$8 billion compared to \$6 billion in 1981.

[REDACTED]

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This is not to say, however, that the USSR is on the brink of disaster. Its capacity to service its debt remains good; it has substantial amounts of hard currency assets. Its gold stocks are worth \$20-25 billion at current market prices, and its deposits in Western banks total some \$5 billion (as of September 1981). Nevertheless, the Soviets will not be able to continue to import substantially more from the West unless they can borrow massive amounts.

[REDACTED]

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A unilateral US grain embargo against the USSR would have little impact over the next six months. In any event, Moscow's purchases of grain for Cuba are relatively small from the Soviet perspective and come from Canada. The Soviets are likely to feel immediate greater pressure from multilateral Western restrictions on credit which could force them to:

- deplete national assets, i.e., gold,
- reduce further their assets in Western banks;
- cut imports of Western goods sharply.

Such actions would raise the cost of supporting Cuba at a time when Moscow faces unprecedented demand for support from Eastern Europe, especially Poland.

[REDACTED]

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Nevertheless, the Soviets almost certainly see the benefits of their aid to Cuba is important to Soviet prestige and Castro serves major Soviet foreign policy interests in the Third World, particularly Africa and Central America. Soviet subsidies and military aid to Cuba in 1980 totaled about \$3.2 billion. Although Moscow will continue to press Castro to use Soviet aid more effectively,

[REDACTED]

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[redacted] it is probably willing to increase its assistance to ease any economic problems created by US embargo measures. [redacted]

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Moscow does face substantial military constraints on its ability to respond to US military activity in the Caribbean. Although Soviet military power and the capability to project it is steadily growing, Moscow cannot hope to match the military power the US has or can quickly move into the region. This constraint is likely to remain for the foreseeable future. [redacted]

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Nevertheless, in response to US measures designed to project a heightened US threat to Cuba, the USSR is likely to continue and possibly intensify efforts underway since early last year to bolster Cuban defenses. Additional shipments of armaments, possibly including some new weapons systems, are well within Soviet capabilities and would serve to demonstrate Soviet resolve to the Cubans and the US. [redacted]

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[redacted] Moscow is likely to continue the pattern of continuous deployment of naval reconnaissance aircraft to Cuba, could further increase intelligence collection against US military activity, and could again begin regular naval port calls to Cuba (the last one was in April 1981). [redacted]

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Moscow is preoccupied with serious international problems. These include continued uncertainty over the future course of events in Poland and a prolonged counterinsurgency campaign in Afghanistan. Furthermore, political maneuvering has already increased in the Soviet leadership in the wake of Suslov's death and could increase over the next six months if Brezhnev dies or becomes seriously ill. [redacted]

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It is unlikely, however, that these problems will dramatically change Soviet determination to preserve Communist rule in Cuba or that they will make the USSR more vulnerable in the next six months. Indeed, in the face of such external or internal problems, Moscow could become more determined to show firmness. The delivery of MIG-23 aircraft on the eve of the Haig-Gromyko talks has already indicated a Soviet willingness to supply military hardware to Cuba regardless of its impact on relations with the US. Furthermore, these problems are not of such magnitude that they preclude a Soviet military response to US actions against Cuba in some other theater such as Berlin, [redacted]

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Iran, or Korea. While the threat of such a move might be used to deter major US military action against Cuba, Moscow would have to weigh many factors before carrying such action out. Short of a blockade, none of the measures specified [] for implementation would trigger such a response. []

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Timing of US Actions

While Soviet vulnerabilities themselves have little bearing on the implementation of specific US measures regarding Cuba, the Soviets will probably consider their timing in assessing US intentions. We believe, for example, that in 1978 the Soviets interpreted the six month pause between initial introduction of the MIG-23 and our demarche on the subject as a sign of US reluctance to challenge them on the issue. Moscow would probably view a warning that we would not tolerate the presence of fighter aircraft in Nicaragua in a similar way if it came after the actual introduction of the planes. This would be particularly true in view of the ongoing pilot training for Nicaraguans. []

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While a change in US policy toward Angola -- repeal of the Clark amendment and assistance to UNITA -- would not particularly affect Soviet vulnerabilities, it could make preservation of the Soviet-Cuban position there another difficult issue before the Soviet leadership. Intensified efforts to repeal the Clark amendment, however, could improve the Soviet-Cuban position in Angola over the next six months. There have been a number of signs that Moscow is concerned that the Dos Santos regime in Luanda is too willing to undertake a dialogue with the US over Namibia and to compromise on the withdrawal of Cuban forces from the country. Moscow is likely to use increased US lobbying regarding the Clark amendment to reinforce its message to Angola that the US cannot be trusted and that Luanda should therefore draw closer to Moscow. []

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